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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 23, 2002

APPLICATION OF

XSPEDIUS MANAGEMENT CO.
OF VIRGINIA, LLC

CASE NO. PUC-2002-00122

For certificates of public
convenience and necessity to
provide local exchange and
interexchange telecommunications
services

FINAL ORDER

On July 23, 2002, Xspedius Management Co. of Virginia, LLC ("Xspedius" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested interim operating authority to serve the existing customers of American Communications Services of Virginia, Inc. d/b/a e.spire Communications, Inc. ("ACSI"), pursuant to the accepted tariffs on file with the Commission's Division of Communications. In addition, the Company requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.¹

¹ In a related proceeding (Case No. PUC-2002-00121), ACSI Local Switched Services, Inc. d/b/a e.spire, American Communications Services of Virginia,

By Order dated August 2, 2002, the Commission granted the Company's request for interim operating authority, directed the Company to provide notice to the public of its application, and directed the Commission Staff to conduct an investigation and file a Staff Report. On September 9, 2002, the Company filed proof of publication and proof of service as required by the August 2, 2002, Order.

On September 20, 2002, the Staff filed its Report finding that Xspedius' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service and the Rules Governing the Certification of Interexchange Carriers. In that Report, Staff noted that Xspedius provided a \$50,000 continuous performance bond ("Bond") in lieu of the requirement for audited financial statements. Based upon its review of Xspedius' application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) should Xspedius collect customer deposits, it shall, prior to collecting such deposits, establish and maintain an escrow account for such funds, held in a Virginia office of a duly

Inc. d/b/a e.spire Communications Services of Virginia, Inc., Xspedius Management Co. Switched Services, LLC, and Xspedius Management Co. of Virginia, LLC, requested authority to transfer substantially all of the assets and customers based in Virginia from ACSI to Xspedius.

chartered state or national bank, savings and loan association, savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement at its inception and of any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary; and

(2) Xspedius shall notify the Division of Economics and Finance thirty (30) days prior to the cancellation or lapse of its Bond and shall provide a replacement bond. This requirement shall be maintained until such time as the Staff or the Commission determines it is no longer necessary.

In its Report, Staff noted that it had not, as yet, received a response from Xspedius to Staff's August 21, 2002, request for certain monitoring data.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively. Additionally, the Commission wishes to impress upon Xspedius its duty as a certificated entity to respond to Staff inquiries and to provide, in a timely manner, data required by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) Xspedius Management Co. of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-182A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Xspedius Management Co. of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-592, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations within 60 days of the date of this Order.

(5) Should Xspedius collect customer deposits, it shall, prior to collecting such deposits, establish and maintain an escrow account for such funds, held in a Virginia office of a

duly chartered state or national bank, savings and loan association, savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement at its inception and of any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall notify the Division of Economics and Finance thirty (30) days prior to the cancellation or lapse of its Bond and shall provide a replacement bond. This requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.